

# News & Updates from the Iowa Farm Service Agency

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#### **July 2018**





## Farm Service Agency Electronic News Service

# NEWSLETTER

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### Iowa FSA Newsletter

# Iowa Farm Service Agency

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www.fsa.usda.gov/ia

**State Executive Director:** Amanda De Jong

# From the Desk of Amanda De Jong, State Executive Director

As you've seen in the news, the imposition of tariffs by other countries on U.S. agricultural products, have been disrupting marketing of our ag products and are outside of the control of you the farmers, who are being negatively impacted. President Trump knows America's farmers, ranchers, foresters, and producers are the ones who feed, fuel, and clothe this nation and the rest of the world.

The White House and the Secretary are committed to supporting producers and we are announcing programs available, under the authorities of the Commodity Credit

#### **State Committee:**

James Stillman (Chair) Laura Cunningham Jerry Mohr Ralph Morales Patricia Swanson

To find contact information for your local office go to www.fsa.usda.gov/ia Corporation to help our farmers adjust to disrupted markets, manage surplus commodities, and develop new markets on their behalf.

Producers will need to sign up to receive direct assistance through some programs. Signup for these programs should be starting in early September.

Specifically, the department will authorize up to \$12 billion in programs, which is in line with the estimated impact of the illegal tariffs on agriculture. The program below will be administered by FSA and will assist agricultural producers to meet the costs of disrupted markets resulting from illegal retaliation:

• The Market Facilitation Program, authorized under The Commodity Credit Corporation (CCC) Charter Act and administered by FSA, will provide a direct payment to farmers to help soybean, sorghum, corn, wheat, cotton, dairy, and hog producers. These payments will allow farmers to better time the marketing of their products. These payments will help farmers adjust to disrupted markets, manage surplus commodities, and expand and develop new markets at home and abroad. Signup for the Market Facilitation Program is expected to begin on September 4, with checks sent to producers based on their actual production.

The two other components of the effort include:

- A Food Purchase and Distribution Program through the Agricultural Marketing Service to purchase other affected commodities such as fruits, nuts, rice, and legumes for distribution to food banks and other nutrition programs.
- A new Trade Promotion Program to assist in developing new export markets on behalf of producers.

President Trump has stated more than once that he has the back of every American farmer and rancher and knows the importance of keeping our rural economy strong. At FSA we look forward to working alongside each of you as we implement these programs to keep you earning fair value for your work.

### **Communication is Key in Lending**

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation;
- Any significant changes to family income or expenses;
- The development of problem situations;
- Any losses or proposed significant changes in security

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit www.fsa.usda.gov.

#### **Environmental Review Required Before Project Implementation**

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved.

# **USDA** Announces New Conservation Opportunities to Improve Water Quality and Restore Wildlife Habitat

USDA will offer farmers and ranchers more opportunities to participate in the Conservation Reserve Program (CRP). The announcement includes new CRP practices to protect water quality and adds an additional 1.1 million acres targeted to benefit wildlife, pollinators and wetlands.

The new conservation initiative known as Clean Lakes, Estuaries and Rivers (CLEAR) will add new tools to CRP that can help to improve water quality. CLEAR will assist landowners with the cost of building bioreactors and saturated buffers that filter nitrates and other nutrients from tile-drained cropland. Early estimates indicate that CLEAR could help to reduce nitrate runoff by as much as 40 percent over traditional conservation methods. CLEAR may cover up to 90 percent of the cost to install these new practices through incentives and cost-share. These new methods are especially important in areas where traditional buffers have not been enough to prevent nutrients from reaching bodies of water.

USDA will also add an additional 1.1 million acres to a number of key CRP practices that are critically important to wildlife and conservation. These include 700,000 acres for State Acres for Wildlife Enhancement (SAFE) efforts, which restore high-priority wildlife habitat tailored to a specific state's needs. In addition to SAFE, 300,000 acres will be added to target wetlands restoration that are nature's water filters and 100,000 acres for pollinator habitat that support 30 percent of agricultural production.

The continued strong demand for CRP combined with the limited acreage available for enrollment and lower land rental rates, allows USDA to modify certain program components without affecting the integrity of the program. Signing incentives are being reduced by \$25 per acre on certain practices for fiscal year 2018 enrollments (incentives are currently between \$100 and \$150 per acre) and a cap on the maximum soil rental rate is being instituted for Continuous CRP at \$300 per acre. The savings from these changes are being reinvested back in CRP, including the additional acres for SAFE, pollinator habitat and wetlands restoration.

To learn more about FSA's conservation programs, visit <a href="www.fsa.usda.gov/conservation">www.fsa.usda.gov/conservation</a> or contact your local FSA office.

### **Emergency Disaster Declarations and Designations**

Farmers and ranchers know all too well that natural disasters can be a common, and likely a costly, variable to their operation. The Farm Service Agency (FSA) has emergency assistance programs to provide assistance when disasters strike, and for some of those programs, a disaster designation may be the eligibility trigger.

FSA administers four types of disaster designations:

#### **USDA Secretarial Disaster Designation**

- The designation process can be initiated by individual farmers, local government officials, State governors,
   State agriculture commissions, tribal councils or the FSA State Executive Director.
- This designation is triggered by a 30-percent or greater production loss to at least one crop because of a natural disaster, or at least 1 producer who sustained individual losses because of a natural disaster and is unable to obtain commercial financing to cover those losses.
- In 2012, USDA developed a fast-track process for disaster declarations for severe drought. This provides for a nearly automatic designation when, during the growing season, any portion of a county meets the D2 (Severe Drought) drought intensity value for eight consecutive weeks or a higher drought intensity value for any length of time as reported by the U.S. Drought Monitor (http://droughtmonitor.unl.edu)

#### **Administrator's Physical Loss Notification**

- This designation is initiated by the FSA State Executive Director.
- The designation is triggered by physical damage and losses because of a natural disaster, including but not limited to dead livestock, collapsed buildings, and destroyed farm structures.

#### **Presidential Designation**

- A Presidential major disaster designation and emergency declaration is initiated by the Governor of the impacted state through the Federal Emergency Management Agency (FEMA).
- This designation is triggered by damage and losses caused by a disaster of such severity and magnitude that
  effective response is beyond the capability of the State and local governments.

#### **Quarantine Designation**

- This designation is requested of the Secretary of Agriculture by the FSA State Executive Director.
- A quarantine designation is triggered by damage and losses caused by the effects of a plant or animal
  quarantine approved by the Secretary under the Plant Protection Act or animal quarantine laws.

All four types of designations immediately trigger the availability of low-interest Emergency loans to eligible producers in all primary and contiguous counties. FSA borrowers in these counties who are unable to make their scheduled payments on any debt may be authorized to have certain set asides. Additional disaster assistance requiring a designation may also be provided by new programs in the future.

For more information on FSA disaster programs and disaster designations, visit www.fsa.usda.gov/disaster.

### **Livestock Inventory Records**

Producers are reminded to keep updated livestock inventory records. These records are necessary in the event of a natural disaster.

When disasters strike, the USDA Farm Service Agency (FSA) can assist producers who suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.

To participate in livestock disaster assistance programs, producers will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to their local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, producers must

submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

Producers should record all pertinent information regarding livestock inventory records including:

- Documentation of the number, kind, type, and weight range of livestock
- Beginning inventory supported by birth recordings or purchase receipts;

For more information on documentation requirements, contact your local FSA office.

#### **Loans for Targeted Underserved Producers**

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants.

A targeted underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, targeted underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Selected Interest Rates for July 2018	
Farm Storage Facility Loans	
3 years	2.625%
5 years	2.75%
7 years	2.875%
10 years	2.875%
12 years	3%
Commodity Loans 1996- Present	3.25%